



### Department Description

The Business Office manages three major programs that support the Mayor's top reform initiatives: Reengineering, Managed Competition, and the City Management Program (CMP). As such, the Business Office works with all of the Mayoral departments within the City to improve the efficiency and effectiveness of the City's service delivery practices and management structures.

The Reengineering program oversees the City's Business Process Reengineering (BPR) studies, conducts efficiency studies, and provides support for management reforms and effectiveness improvements. In this time of decreasing revenues, the Reengineering group helps identify efficiency gains that can permit "smart" budget reduction proposals and works to improve efficiency to support organizational success, even in an environment of fewer resources. BPR is the redesign of work processes (activities, services, or functions) for substantial improvement. In the City of San Diego, these work processes occur within or between divisions and departments. BPR focuses on rethinking from the ground up and finding more efficient ways of working, including eliminating work that is unnecessary. Efficiency studies include, for instance, reviewing the City's training practices and policies to determine the most efficient way to invest our training dollars, developing a 'one-stop shop' website for training information for City employees, and understanding whether training dollars are invested in a manner that adheres to regulations, averts risk, and offers equity among personnel to the greatest extent possible.

Managed Competition is a structured and transparent process that allows public sector employees to be openly and fairly compared with independent contractors (normally private sector firms) for the responsibility of delivering services. Competition enables a determination of the most cost-effective and efficient manner for the delivery of City services.

The City Management Program is designed to integrate strategic planning, performance monitoring efforts, and decision-making processes. As a result of the CMP, the City's Fiscal Year 2010 Proposed Budget includes goals, objectives, and performance measures for each Mayoral department creating more accountability for performance and transparency in government.

The Department's mission is:

***To achieve sustainable improvements in the fiscal soundness and efficiency of City government and the responsiveness and innovativeness of its work force***

# Business Office

## Goals and Objectives

The following goals and objectives represent the action plan for the Department.

***Goal 1: Assist City groups in identifying opportunities for improvement and in implementing best business practices and business reform to move toward accomplishing the City's goal of a fiscally-sound, efficient City government***

As the City continues its management reform efforts, we must ensure that all opportunities for improvement are identified and that best business practices are utilized. This goal is vital to the improved efficiency and effectiveness of City services. The Department will move toward accomplishing this goal by focusing on the following objectives.

- Support the Mayor's top priorities in management reform
- Prepare employees for managed competition
- Execute the City's managed competition program successfully
- Establish and implement an impactful reengineering program

***Goal 2: Improve organizational effectiveness and cultivate a responsive and innovative workforce***

Improving organizational effectiveness and workforce responsiveness are important goals in any organization. In order to be effective, the City must plan, budget, and hold personnel and departments accountable for performance. It is of the utmost importance to continually improve and strive to become the most efficient and effective organization possible. Monitoring whether we are achieving desired outcomes to empower leadership to make the necessary changes to achieve those outcomes is one of the tools we use to do this. The Department will move toward accomplishing this goal by focusing on the following objectives.

- Consistently and reliably achieve results from the reengineering program to support continuous improvement in the City
- Institute accountability for performance citywide

***Goal 3: Deliver quality support efficiently and effectively***

As the Business Office focuses its efforts on management reform, it is important to recognize the internal needs of the Department. Investing our resources effectively and supporting our employees will ensure a high-performing Business Office team. The Department will move toward accomplishing this goal by focusing on the following objectives.

- Communicate programs and projects effectively
- Invest its resources effectively
- Set Business Office performance standards and evaluate for accountability
- Support training and professional growth to maintain a high-performing team

## Service Efforts and Accomplishments

### **Reengineering Program**

The City has completed (or is in the process of completing) 25 BPR studies and three efficiency studies.

In Fiscal Years 2007 through 2009, BPRs have resulted in reductions of 401.32 full-time equivalent personnel and savings of over \$32.0 million in personnel expenditures. In addition, BPRs have resulted in millions of dollars in non-personnel savings and nearly \$4.6 million in cost avoidance, which—while not actual budget reductions—are efficiencies that permit staff to focus on other productive work.

In the course of conducting BPR studies, City employees have researched industry benchmarks, conducted internal and external customer surveys, mapped existing processes, and proposed organizational structures that streamline processes, deliver better service, and save money. Results of some BPR studies follow.

# Business Office

- The Police Department's initial phase of its BPR study resulted in approximately \$2.4 million in cost savings for Fiscal Year 2008. Approved in May 2008, a second phase of the Police BPR study continued the evaluation of the Department's core and non-core functions. The BPR team focused on improving the efficiency of processes that take officers away from core functions.

The BPR recommendations are now being implemented and are reaping significant rewards for the Department as they are expected to result in many hours of time savings, primarily for sworn line employees, allowing these employees to spend more of their time responding to high priority calls for service, engaging in proactive or targeted enforcement efforts, problem solving, or investigating crime cases.

- The Library BPR study focused on standardizing core processes across the Department. The BPR resulted in staff hours saved in a number of areas which can avoid the cost of adding staff as demand for library services grows.

One example, featured in *Governing* magazine, is that the Library Department has experienced an 18 percent decrease in fines collected for overdue books and other library materials. Library officials attribute the decrease in some part to email notices that the system now sends patrons three days ahead of due dates. The email notices were a result of a BPR recommendation intended to save staff time and mailing expense, but the additional benefit has been to improve customer service and better utilize the collection by reducing the volume of overdue materials.

- The Emergency Dispatch Efficiency Study brought together the leaders of the dispatch functions from Police, Fire-Rescue, Lifeguards, and Public Works—along with the Deputy Director of the Communications Division and the Program Manager for Homeland Security—to share best practices and explore opportunities to improve efficiency and effectiveness in the dispatch function citywide. Some of these participants had never met before, and now they have established working relationships through which future dispatch activities can be optimized.

Two of the dispatch functions are exploring alternatives for joint staffing, and the group will continue to meet quarterly to develop a joint long-term dispatch technology plan.

## Managed Competition

The voters expressed support for a managed competition program through approval of Proposition C in November 2006. In Fiscal Year 2008, the City negotiated and imposed the implementing ordinance for Proposition C and developed a Managed Competition Guide with labor organization input.

During Fiscal Year 2009, a significant setback in implementation of the Managed Competition Program occurred due to the filing of an Unfair Labor Practice Charge by AFSCME Local 127 (later joined by MEA) and the subsequent decision of the California Public Employment Relations Board (PERB). This decision required the City to renegotiate the Proposition C implementing ordinance and negotiate the Managed Competition Guide with both labor organizations.

Since September 2008, the City has invested significant resources in negotiating on the Managed Competition Program. The City continues to negotiate in good faith while remaining anxious to move forward in implementing the program.

## City Management Program

Through the City Management Program (CMP), the City has moved toward strategic decision-making by instituting strategic planning and performance management.

As a result of the CMP, this is the second year the budget contains tactical plans and performance measures for the majority of City departments (and all Mayoral departments). A total of 36 tactical plans (for departments or, in the case of General Services, divisions) are currently monitoring their performance as a result of the CMP. The CMP also launched the City's Strategic Plan website to ensure the public has access to performance information. This site

# Business Office

outlines the City's five-year plan which includes its mission, vision, goals, and objectives. It also presents and defines the City's performance measures relating to each of the City's strategic objectives. The site contains links to department plans and performance information. It will be updated annually with revised plans for the next fiscal year and with data from the prior fiscal year.

These are quite significant achievements that have improved the transparency of the City's budget, the ease of communication around budget issues, and internal accountability.

## Budget Dollars at Work: Performance Expectations

### Goal 1: Assist City groups in identifying opportunities for improvement and in implementing best business practices and business reform

Performance Measure	Baseline FY2008	Estimated FY2009	Target FY2010
1. Percent of major City functions reengineered <sup>1</sup>	41%	12%	12%

### Goal 2: Improve organizational effectiveness

Performance Measure	Baseline FY2008	Estimated FY2009	Target FY2010
1. Percent of Mayoral departments with performance data reporting underway	100%	100%	100%
2. Frequency with which City's performance information is updated and made public	N/A	Bi-annually	Bi-annually

### Goal 3: Deliver quality support efficiently and effectively

Performance Measure	Baseline FY2008	Estimated FY2009	Target FY2010
1. Results of internal customer satisfaction survey	N/A	N/A	TBD

## Budget Dollars at Work: Sizing and Workload Data

	Actual FY2006	Actual FY2007	Actual FY2008	Estimated FY2009	Target FY2010
<b>Workload Data</b>					
Number of reengineering studies completed	N/A	6	13	8	8
Number of reengineering sessions facilitated	N/A	N/A	400 <sup>2</sup>	100 <sup>2</sup>	200
Number of full-time employees (FTEs) competed through managed competition	N/A	N/A	N/A	N/A	TBD
Number of City Management Program training/information sessions offered	N/A	N/A	25	5	10
Number of tactical plan sessions facilitated	N/A	50	380	144 <sup>3</sup>	144
Number of departments providing performance reports	N/A	N/A	N/A	36	36

<sup>1</sup> The City's major functions have been estimated to include 68 major Mayoral functions. These may not be completely consistent with functions that were reviewed through reengineering or will be considered for competition.

<sup>2</sup> This is an estimate.

<sup>3</sup> An average of four tactical plan facilitation sessions were offered to 36 departments.

## Business Office

	Actual FY2006	Actual FY2007	Actual FY2008	Estimated FY2009	Target FY2010
Number of functions in managed competition preparation or competition	N/A	N/A	27	N/A	N/A



# Business Office

## Department Summary

Business Office				
	FY 2008 BUDGET	FY 2009 BUDGET	FY 2010 PROPOSED	FY 2009-2010 CHANGE
Positions	19.25	11.25	9.25	(2.00)
Personnel Expense	\$ 2,221,457	\$ 1,313,520	\$ 1,074,713	\$ (238,807)
Non-Personnel Expense	\$ 161,634	\$ 635,404	\$ 672,417	\$ 37,013
TOTAL	\$ 2,383,091	\$ 1,948,924	\$ 1,747,130	\$ (201,794)

## Department Staffing

	FY 2008 BUDGET	FY 2009 BUDGET	FY 2010 PROPOSED
<b>GENERAL FUND</b>			
Business Office			
Business Office	19.25	11.25	9.25
Total	19.25	11.25	9.25

## Department Expenditures

	FY 2008 BUDGET	FY 2009 BUDGET	FY 2010 PROPOSED
<b>GENERAL FUND</b>			
Business Office			
Business Office	\$ 2,383,091	\$ 1,948,924	\$ 1,747,130
Total	\$ 2,383,091	\$ 1,948,924	\$ 1,747,130

## Significant Budget Adjustments

### GENERAL FUND

Business Office	Positions	Cost	Revenue
Salary and Benefit Adjustments	0.00	\$ (24,498)	\$ 0
Adjustments to reflect the annualization of the Fiscal Year 2009 negotiated salary compensation schedule, changes to average salaries, retirement contributions, retiree health contributions, and fringe adjustments.			

# Business Office

## Significant Budget Adjustments

### GENERAL FUND

Business Office	Positions	Cost	Revenue
<b>Equipment/Support for Information Technology</b>	0.00 \$	27,766 \$	0
Funding allocated according to a zero-based annual review of information technology funding requirements and priority analyses.			
<b>Non-Discretionary Adjustment</b>	0.00 \$	9,247 \$	0
Adjustments to expense allocations that are determined outside of the department's direct control. These adjustments are generally based on prior year expenditure trends and examples of these include utilities, insurance, and rent.			
<b>Fiscal Year 2009 Budget Amendment</b>	(2.00) \$	(214,309) \$	0
Adjustments to personnel and non-personnel expenses, and revenue as a result of the Fiscal Year 2009 Budget Amendment. These adjustments are further discussed in Volume 1: Budget Overview and Schedules.			

## Expenditures by Category

	FY 2008 BUDGET	FY 2009 BUDGET	FY 2010 PROPOSED
<b>PERSONNEL</b>			
Salaries & Wages	\$ 1,471,987	875,727	<b>731,642</b>
Fringe Benefits	\$ 749,470	437,793	<b>343,071</b>
<b>SUBTOTAL PERSONNEL</b>	<b>2,221,457</b>	<b>1,313,520</b>	<b>1,074,713</b>
<b>NON-PERSONNEL</b>			
Supplies & Services	\$ 126,021	609,339	<b>615,537</b>
Information Technology	\$ 9,173	2,129	<b>25,572</b>
Energy/Utilities	\$ 22,890	20,657	<b>28,029</b>
Equipment Outlay	\$ 3,550	3,279	<b>3,279</b>
<b>SUBTOTAL NON-PERSONNEL</b>	<b>161,634</b>	<b>635,404</b>	<b>672,417</b>
<b>TOTAL</b>	<b>2,383,091</b>	<b>1,948,924</b>	<b>1,747,130</b>

## Revenues by Category

	FY 2008 BUDGET	FY 2009 BUDGET	FY 2010 PROPOSED
<b>GENERAL FUND</b>			
Transfers from Other Funds	\$ 25,000 \$	- \$	-
<b>TOTAL</b>	<b>\$ 25,000 \$</b>	<b>- \$</b>	<b>-</b>



# Business Office

## Salary Schedule

### GENERAL FUND

#### Business Office

<i>Class</i>	<i>Position Title</i>	<i>FY 2009 Positions</i>	<i>FY 2010 Positions</i>	<i>Salary</i>		<i>Total</i>
1106	Sr Management Analyst	2.00	<b>2.00</b>	\$	71,273	\$ 142,545
1218	Assoc Management Analyst	0.00	<b>1.00</b>	\$	63,595	\$ 63,595
1221	Assoc Engineer-Civil	1.00	<b>0.00</b>	\$	-	\$ -
1614	Org Effectiveness Specialist II	3.00	<b>1.00</b>	\$	64,735	\$ 64,735
1876	Executive Secretary	0.50	<b>0.50</b>	\$	51,538	\$ 25,769
1917	Supv Management Analyst	0.75	<b>0.75</b>	\$	80,296	\$ 60,222
2132	Department Director	1.00	<b>1.00</b>	\$	117,275	\$ 117,275
2270	Program Manager	3.00	<b>3.00</b>	\$	85,834	\$ 257,501
<b>Total</b>		11.25	<b>9.25</b>			<b>\$ 731,642</b>
<b>BUSINESS OFFICE TOTAL</b>		11.25	<b>9.25</b>			<b>\$ 731,642</b>

